

How does the US know that forced labor is happening in China? A supply chain expert weighs in

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Shawn Bhimani, assistant professor of supply chain management at Northeastern, says it is imperative that the U.S. companies comply with the Uyghur Forced Labor Prevention Act to eradicate abuse. Credit: Matthew Modoono/Northeastern University



The Biden administration has added 26 more companies to the list of Chinese textile traders and manufacturers whose goods are blocked from entering the United States because of their alleged ties to forced labor.

The banned imports, known as the Uyghur Forced Labor Prevention Act Entity List, names businesses that are said to be involved in exploiting forced labor in China's Xinjiang region. The announcement brings the total number of banned companies to 65.

The act, passed by Congress in 2021 and enacted in June 2022, prohibits the import of any goods made in Xinjiang from entering the U.S.

Shawn Bhimani, assistant professor of supply chain management at Northeastern University, says 90% of the cotton in China is grown in Xinjiang. Other industries, he says, such as solar and electronics, are also tainted by the Uyghur <u>human rights abuses</u>.

Bhimani leads Northeastern's <u>Supply Trace</u> project, an open-access <u>digital platform</u> that uses <u>machine learning</u> and shipping data—as well as on-the-ground investigations—to link forced labor to international trade transactions.

Northeastern Global News spoke to Bhimani about the evidence the U.S. government has of the alleged human rights violations in China, as well as how Supply Trace helps companies and consumers to make ethical decisions.

His responses have been edited for brevity and clarity.

How do you define 'forced labor' and how big is this problem globally?



The International Labor Organization defines forced labor as "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily." If I was to simplify, its people working against their will.

Forced labor is estimated currently at 27 to 28 million people globally [comparable to the population of Australia]. It is a subset of what some people refer to as modern slavery.

Where in the world does forced labor happen most?

The highest problems of forced labor occur in India [11 million people] based on the 2023 estimates by the Global Slavery Index. China is also on their list.

China is much more in the news and in focus right now because of multiple political discussions that are happening this year. Part of it is tariffs that were levied against China two days ago by the Biden administration.

Part of it is because the Chinese government has been committing human rights abuses against the Uyghur population for many years. Because of that, the U.S. Congress passed in 2021 the Uyghur Forced Labor Prevention Act, which prohibits the importation of any goods made in whole or in part, in Xinjiang [province] from entering the U.S. That law was enforced in June of 2022.

The U.S. government continues to build out credible evidence and a list of entities that should be avoided in business transactions.

Recent testing shows that of goods coming into the U.S. 20% of the apparel was still being made with Xinjiang cotton.



How does the US government know that these human rights abuses, including forced labor, are happening?

We have victim testimony. People who are from that region are able to provide testimony of the atrocities that are occurring, which are not limited to forced labor.

Additionally, we are able to leverage the fact that shipments coming out of China into the U.S. and other Western markets are traceable.

As part of our Supply Trace project, we trace shipments from factories in China with known links to Xinjiang and make it clear that those factories are shipping to the U.S. companies in our pilot phase of the platform. As we grow, there will be companies all over the world that are buying these products made by victims of forced labor.

We use shipping records of goods that travel by ocean freight. We also look at investigations performed on factories within China, where we look at their public disclosures on where the materials come from and who their customers and clients are.

How can American companies vet their supply chain?

It is imperative that companies comply with the [Uyghur Forced Labor Prevention Act] and the list of banned companies.

About 90% of the cotton from China is from Xinjiang, which means that there's a 90% chance that any cotton that China exports has Xinjiang fibers in it. There are so many other industries such as solar or electronics or others that are tainted by bigger human rights abuses in China.



When it comes to other countries, and other areas [of China], there are business advisories or recommendations of where companies should consider exercising caution. They can do this by vetting their supply chain by mapping it, by understanding known areas of risk and performing due diligence... for example, factory investigations to ensure that there's no forced labor happening out of the facility.

They need to think about corrective action and in the case of Uyghur human rights abuses, they need to change their sourcing locations.

Many companies don't know where to start. They don't know what to do with the list. They don't even know sometimes if their suppliers are connected to Xinjiang.

So what we do is we create an open-access website where they can see a map of their <u>supply chain</u> based on shipping records. We use machine learning to connect the dots for them. We also provide resources if a company realizes they are connected [to forced <u>labor</u>] on what to do about it.

How can consumers figure out if a brand was produced with forced labor?

Supply Trace is open to everyone. It is an equal access platform, so anyone anywhere in the world can access it. There is no paywall. You type in the name of the brand or a factory and see potential risk and make better, more informed decisions.

Sometimes products do not ship directly from China to the U.S. They go through a third-party country before they arrive in the U.S.



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